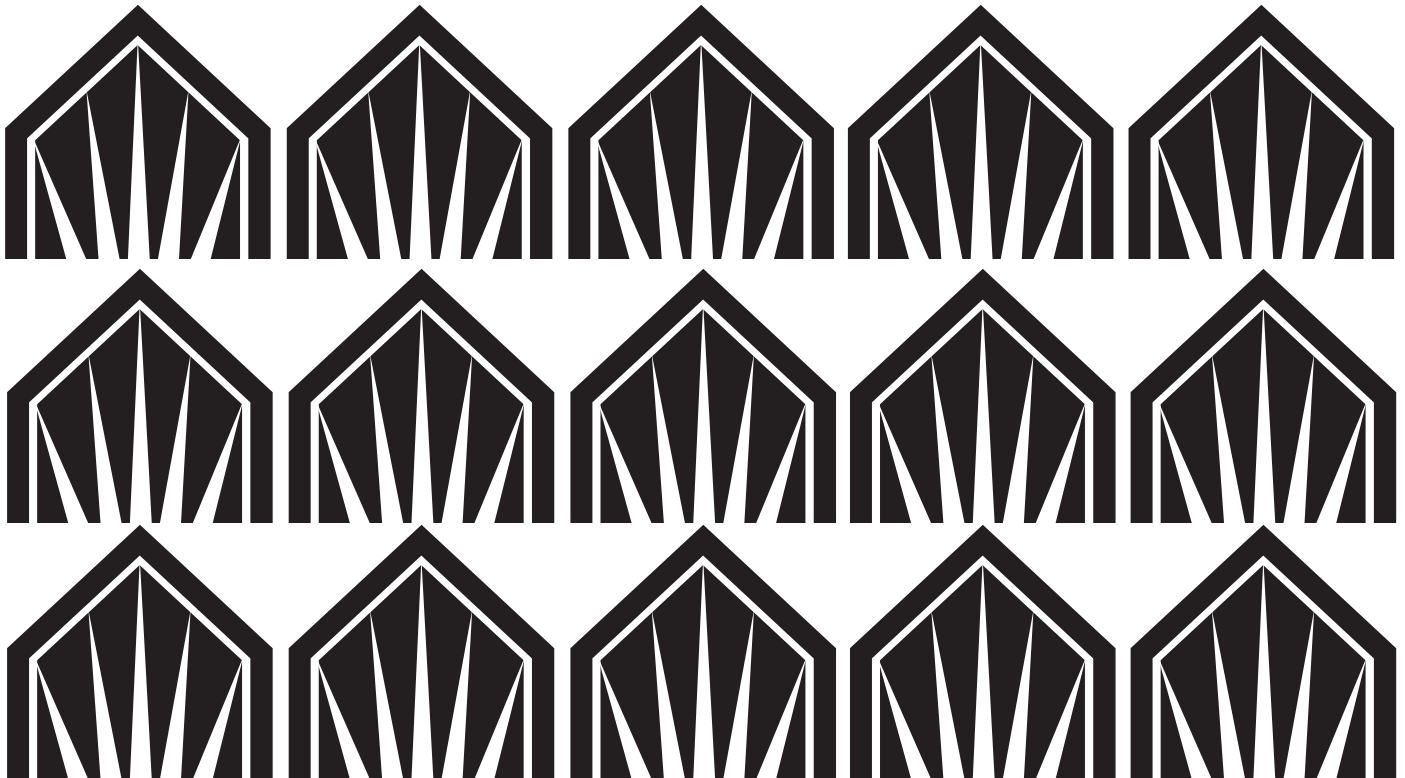




ASSESSMENT APPEALS **AN OVERVIEW**



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The Assessment Appeals Public Education Program of the Executive Office of the Los Angeles County Board of Supervisors offers **FREE SEMINARS** covering the assessment appeals process, when and how to file an appeal, and how to prepare for an assessment appeal hearing. For recorded information regarding the current seminar schedule,

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Section 1: Introduction

This brochure will provide you with a good general understanding of the property tax system. It will also provide you with specific information concerning your appeal rights, how to file an appeal and how to prepare for a hearing. However, this brochure will not make you an expert in the area of property tax assessment. Property assessment is a complex field and requires judgment gained from years of training and experience. While we have tried to be accurate in this brochure, the laws governing the assessment and equalization process are complicated and are subject to change. The law will be the basis for any decision whenever there is a conflict between the law and any statement in this brochure. Although our staff is able to answer most of your general questions regarding procedure, we are unable to render legal advice. We strongly recommend that you consult with a property tax attorney or other property tax professional if you have specific questions regarding the substance of your appeal.

Section 2: An Overview of the Property Tax System

Personal Property and Real Property

Property is generally divided into two categories: real property and personal property. Real property, also referred to as real estate, is land and improvements (including buildings, structures, fixtures and fences) on or affixed to the land. Personal property is all property that is not real property. Generally, personal property would include business equipment, airplanes, and boats. Certain types of personal property, such as licensed motor vehicles, are not subject to being identified by the County Assessor or being included on the County local assessment roll.

Personal Property

Personal property assessments - Business owners who have a taxable personal property cost of at least \$100,000 or more are required to file a Business Property Statement every year. Similarly, owners of aircraft and boats are required to file a Vessel Property Statement.

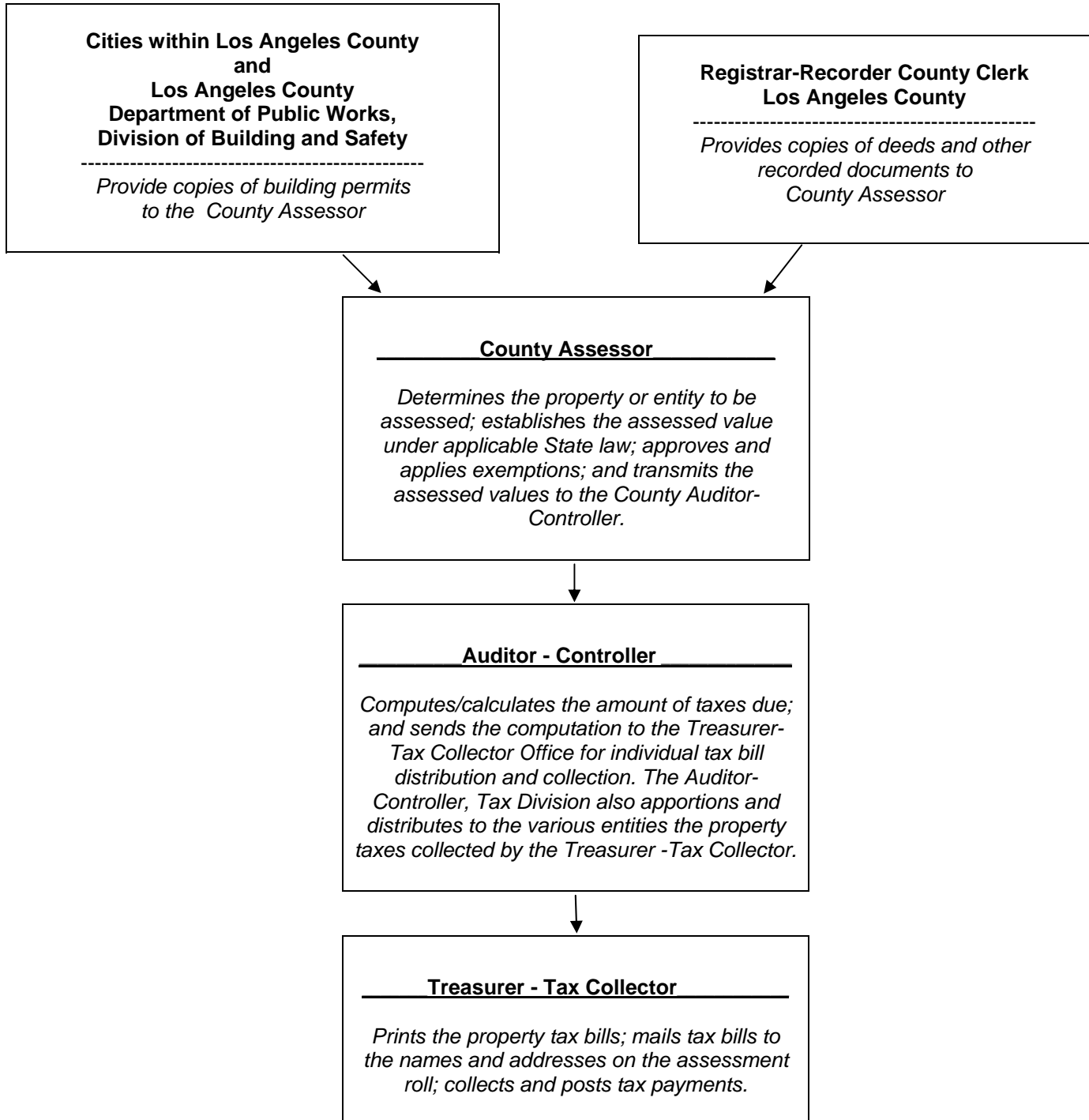
Real Property

For most of us, real property is our house and the land on which the house is built. If we look at a single parcel of real property, for example a single-family residential parcel, it becomes a little easier to understand the property tax system.

The point at which most real property owners come in contact with the property tax system is when they receive their Annual Tax Bill. You should take the time to read and understand your Annual Tax Bill.

The Assessor's Identification Number (AIN) is used to uniquely identify your property. The AIN, also known as the Map Book, Page, and Parcel number, is 10 digits long.

Figure 2A
The Property Tax System: County of Los Angeles



Your property taxes are generally determined by two factors: the assessed value of the property and the tax rate for the area in which the property is located.

Proposition 13

In 1978 the voters of California passed Proposition 13; this voter-approved initiative substantially changed the taxation of real property in California. Under Proposition 13 the general tax rate cannot exceed 1% of a property's assessed value. Proposition 13 also places limits on when real property can be reappraised.

Proposition 13 and the Tax Rate

Under Proposition 13 the general tax levy for all agencies cannot exceed 1% of a property's assessed value. In addition to the 1% general tax levy, two other general categories of taxes are allowed: (1) taxes for voter-approved bonded indebtedness, and (2) direct assessment taxes levied by agencies to pay for services such as lighting maintenance, weed abatement, etc. Your tax bill lists each of these components separately in the area of the tax bill where the detail of taxes due is shown.

Proposition 13 and Assessed Value

Under Proposition 13, reappraisal of real property and increases in assessed value of real property are limited. Real property can be reappraised only: (1) when a change in ownership occurs, (2) when new construction is completed, or (3) when new construction is partially completed on the lien date. When one of these three things happens, the Assessor is mandated under Proposition 13 to reappraise the property. The appraised value established by the Assessor when one of the first two events occurs is called the base year value of the property.

If the Assessor reappraises a parcel of real property, the Assessor is required to send a Notice of Assessed Value Change to the owner indicating both why the property was reappraised and what the new assessed value is. If you receive a Notice of Assessed Value Change, you should read it carefully, making sure you understand the reason for the assessed value change. If you disagree with either the reason the property was reappraised or the new assessed value, you may want to contact the Assessor's Office to discuss the assessment change, and you may also file an appeal with the Assessment Appeals Board.

Except for these three instances, Proposition 13 limits how much the assessed value of a property may be increased in any one year. Proposition 13 provides that the assessed value of your property may be increased annually by an inflationary factor, based on the California Consumer Price Index (CCPI). However, it may not be increased by more than 2% in any one year as a result of this inflationary factor. The inflationary factor is applied each year to your property's assessed value for the previous year. This adjusted assessed value is called the trended base year value.

Misfortune or Calamity

If a major calamity, such as an earthquake, fire, or flood damages or destroys your property, you may be eligible for property tax relief. To qualify for property tax relief (1) the loss must be at least \$10,000 and (2) you must file a Misfortune or Calamity Claim with the Assessor's Office within 12 months of the date the property was damaged or destroyed, unless specified otherwise by County ordinance. There is no charge to file a Misfortune or Calamity Claim with the Assessor's Office. To qualify for tax relief based on "misfortune or calamity", the damage to your property must be the result of some event out of the ordinary. Your property must be physically damaged or destroyed by a sudden, unexpected, and unforeseeable occurrence beyond your control. Damage to property that occurred gradually due to ordinary natural forces would not qualify for disaster relief.

If you timely file a Misfortune or Calamity Claim, the Assessor's Office will reappraise the property to reflect its damaged condition and will send you a notice of the reassessment or reduction. If you are not satisfied with the reassessment or reduction, you may file an Application for Changed Assessment (an appeal) with the Assessment Appeals Board. This appeal must be filed with the Assessment Appeals Board within 6 months of the mailing date shown on the Assessor's notice.

Proposition 8 – "Decline-in-Value"

Proposition 8 allows a temporary reduction in the assessed value of your real property under certain conditions. If the fair market value of your property, as of the lien date, is less than the assessed value as established by the Assessor, the Assessor's Office may reduce the assessed value of your property.

If you have good reason to believe that the assessed value of your real property is too high, filing an Application for "Decline-In-Value" Reassessment (Prop. 8) form with the Assessor's Office, as allowed by Proposition 8, is usually the first step to take. A free application form is available from the Assessor's Office, and there is no charge for filing. Take the time to read the instructions on the form and ask for clarification or help from the Assessor's Office if you have any questions.

The completed application form may be filed with the Assessor's Office any time between January 1 and December 31. When the Assessor's Office notifies you of their decision regarding your Application for "Decline-In-Value" Reassessment (Prop. 8), and you are not satisfied with the results, you may still file an Application for Changed Assessment with the Assessment Appeals Board during the regular filing period of July 2 through November 30.

If you have not heard from the Assessor's Office by July 2, you should consider filing an appeal with the Assessment Appeals Board. Filing an appeal with the Assessment Appeals Board will protect your right to appeal the Assessor's decision should the Assessor notify you after the November 30 appeal filing deadline. If you do not file an application with the Assessment Appeals Board on or before the November 30 deadline and you disagree with the Assessor's decision on your Application for "Decline-In-Value" Reassessment (Proposition 8), you will have no further right to appeal for that tax year.

If you did not file an Application for “Decline-In-Value” Reassessment (Proposition 8) with the Assessor’s Office, you can still request a reduction in the assessed value of your property under Proposition 8 by filing an Application for Changed Assessment with the Assessment Appeals Board during the regular filing period. Application for Changed Assessment forms are free and are available from the Assessment Appeals Board. There is no charge for filing (*See Section 3, Assessment Appeals Board*).

The Proposition 8 reduction is temporary; it applies only to the year of the application. Each year, as of the lien date (January 1), the Assessor reviews properties with a Prop. 8 assessment to verify whether the conditions that resulted in a decline in value still exist. If the market value of the property increased, the Assessor will adjust the assessed value up to the fair market value. Please keep in mind that the Assessor, in this case, is not limited to the 2% increase, but the new assessment will not exceed the original trended base year value.

Section 3: The Assessment Appeals Board

The Assessment Appeals Board

Under authority of the California State Constitution, the Board of Supervisors of Los Angeles County created the Assessment Appeals Board to sit as the Board of Equalization for the County of Los Angeles. Prior to the establishment of the Assessment Appeals Board, the Los Angeles County Board of Supervisors performed the functions of the County Board of Equalization.

The Assessment Appeals Board is not part of the Assessor’s Office. Assessment Appeals Board members are appointed by the Los Angeles County Board of Supervisors, in accordance with the eligibility requirements established by State law. Each Assessment Appeals Board is made up of three members.

The primary function of the Board is to conduct impartial hearings on property assessment disputes between taxpayers and the County Assessor. Based on the evidence presented at these hearings, the Board determines the fair market value of the disputed property. Generally, hearings before the Assessment Appeals Board are held in the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012.

Assessment Hearing Officer Program

In addition to the three-member Assessment Appeals Board, the Board of Supervisors has established an Assessment Hearing Officer Program. The Assessment Hearing Officer Program (Hearing Officer) was established to resolve less complex issues of valuation relating to single-family residences, condominiums, cooperatives, or multiple-family dwellings of four units or less, regardless of value, and other properties that do not exceed \$3,000,000 in assessed value.

When filing an Application for Changed Assessment (an assessment appeal) with the Assessment Appeals Board, if your property qualifies, you may choose whether to have your appeal heard before an Assessment Hearing Officer or to have your appeal heard before an Assessment Appeals Board. You are not required to use an Assessment Hearing Officer to hear your appeal, even if your property meets the Assessment Hearing Officer criteria.

Hearings before an Assessment Hearing Officer are less formal than hearings before an Assessment Appeals Board. The Assessment Hearing Officer reviews evidence presented at the hearing by you and the Assessor's Representative and makes a recommendation regarding the fair market value of your property to the Assessment Appeals Board. The Assessment Appeals Board reviews the Hearing Officer's recommendation and either accepts or rejects the recommendation.

Section 4: Should You File an Application for Changed Assessment?

Your property taxes are determined by two factors: (1) the assessed value of your property and (2) the tax rates established by the voters, cities, county, state, and other governmental agencies. The assessed value of your property is determined by the County Assessor. The area in which your property is located determines the voted indebtedness and direct assessment tax rates that are used, in conjunction with the general tax levy of 1% to calculate your taxes.

The assessment appeals process allows you, under certain circumstances, to challenge the assessed value set by the County Assessor for your property. If you are able to get the assessed value of your property reduced, your property taxes will also be reduced.

So the question is, should you file an appeal? It would be convenient to be able to appeal the assessed value of your property simply because you think that your taxes are too high, or because you disagree with a voter-approved indebtedness or the purpose of a direct assessment. Such reasons, alone, are not admissible evidence and would not justify filing an appeal.

You should file an appeal if you believe that the assessed value as established by the Assessor's Office is incorrect and if you have admissible evidence that will support what you believe is the correct assessed value.

Reappraisable Events and Base Year Value

Under Proposition 13, the County Assessor is required to appraise properties when: (1) change in ownership occurs, (2) new construction is completed, or (3) construction is partially completed on the lien date. When one of these things occurs, the County Assessor determines the fair market value of the property as of the date of purchase or change of ownership, the date on which new construction is completed, or the lien date if the new construction is partially completed. The fair market value determined when one of the first two events occurs is called the base year value for the property.

When the County Assessor establishes a new base year value for a property, the Assessor must send the property owner a Notice of Assessed Value Change. The Notice of Assessed Value Change tells the property owner why the property was reappraised, what the new assessed value (new base year value) is, and the valuation date for the new assessed value. In some cases, your first notice of a new base year value may be when you receive a Supplemental, Corrected, or Adjusted Tax Bill. You should read the notice or tax bill carefully, making sure you understand the reason for the new base year value, the reason for the reappraisal, and the date on which the new assessed value was determined.

If you disagree with the new base year value, you should first contact the Assessor's Office to request an informal review. If you decide to file an assessment appeal, it must be filed within 60 days of the mailing date shown on the Notice of Assessed Value Change or on the Supplemental, Corrected, or Adjusted Tax Bill.

If you do not file within the 60-day period, and still wish to dispute the new base year value, you must file your appeal during the regular filing period for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

It is to your advantage to file an appeal of a new base year value as soon as possible. If your appeal is successful and the Assessment Appeals Board reduces the base year value, the reduction will be effective for the year in which the appeal is filed and prospectively thereafter; it will not be retroactive. If you wait until the third year after the enrollment of the new base year value, any reduction will only be applied beginning in the third year.

Change in Ownership Reappraisals

When a change of ownership occurs, the Assessor receives a copy of the deed from the Recorder's Office and determines whether a reappraisal is required under Proposition 13. If the Assessor determines that it is required, a reappraisal is made to determine the fair market value as of the transfer date, in order to establish the new base year value.

The Assessor is required to send the property owner a Notice of Assessed Value Change informing the property owner of the change in assessed value and why the property was reappraised. If you believe that no change in ownership occurred, you should contact the Assessor's Office, Ownership Section, to determine why the Assessor believes that a change in ownership did occur.

If you believe that the Assessor has incorrectly reappraised your property based on a change of ownership and you are unable to resolve the dispute with the Assessor, then you should file an appeal with the Assessment Appeals Board.

Although the Assessor may be correct in performing the reappraisal, if you believe that the Assessor has incorrectly determined the fair market value, you may still want to file an appeal. Normally, an arms-length, open market transaction determines the fair market value.

An arm's-length, open market transaction is defined as the price at which a property, if exposed for sale on the open market within a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other.

If you think that the base year value, as determined by the County Assessor, is higher than the actual fair market value for your property, as substantiated, for example, by your escrow statement, then you should file an appeal. Prior to filing an appeal with the Assessment Appeals Board, you should speak with the Assessor to determine how the Assessor established the base year assessed value. If you decide to file an appeal, it must be filed within 60 days of the mailing date shown on the Notice of Assessed Value Change or Adjusted, Corrected or Supplemental Tax Bill. If you do not file within the 60-days filing period and still wish to dispute the new base year value, you must file an appeal during the regular filing period (from July 2 through November 30) for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

New Construction Appraisals

The Assessor is required to appraise new buildings, structures, and additions. Copies of all building permits are sent to the Assessor's Office by the cities and County (see *page 3, figure 2A, The Property Tax System*). The Assessor is required to send the property owner a Notice of Assessed Value Change informing the property owner of the change in value and the reason why the property was appraised.

In cases of new construction, the Assessor is obligated to appraise the construction and change the assessed value accordingly. Although the Assessor may be correct in performing the appraisal, if you feel that the Assessor has overvalued the construction work, you may still want to file an appeal. Prior to filing an appeal with the Assessment Appeals Board, you should speak to the Assessor to determine how the Assessor established the assessed value for the new construction.

However, if the building permit only covered structural repairs, replacement, or maintenance of improvements, then in most situations this work would not be re-appraisable. If you feel that the Assessor has incorrectly appraised maintenance or repair construction work, then you should file an appeal. Again, you may find it helpful to speak with the Assessor prior to filing an appeal.

If you decide to file an appeal, it must be filled within 60 days of the mailing date shown on the Notice of Assessed Value Change or of the Adjusted, Corrected or Supplemental Tax Bill. If you do not file within the 60-day period and you still wish to dispute the new base year value, you must file an appeal during the regular filing period (from July 2 through November 30) for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

Supplemental Assessment and Supplemental Tax Bills

When a change in ownership occurs or new construction is completed, State law requires the Assessor to reappraise property. The difference between the new assessed value and the prior assessed value is the supplemental assessment. The Auditor-Controller calculates the supplemental property tax and prorates it based upon the number of months remaining in the current fiscal year which runs from July 1 through June 30.

The Treasurer and Tax Collector bills the property owner for this supplemental property tax on a Supplemental Tax Bill. The Supplemental Tax Bill only addresses the incremental or increased assessed value, and it is in addition to the regular Annual Tax Bill.

If you receive a Supplemental Tax Bill, you should examine it closely and make sure that you understand why the Supplemental Tax Bill was issued. If you feel that the Assessor has incorrectly reappraised your property, then you should file an appeal. You may want to talk with the Assessor's Office prior to filing an appeal. If you decide to file an appeal, it must be filed within 60 days of the mailing date shown on either the Notice of Assessed Value Change or the Supplemental Tax Bill. If you do not file within the 60-day period, and still wish to dispute the new base year value, you must file an appeal during the regular filing period (from July 2 through November 30) for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

Trended Base Year Value

Except for the three reappraisable events addressed above, real property assessments cannot be increased by more than 2% annually, regardless of the rate of inflation. Under Proposition 13, the State Board of Equalization, using the California Consumer Price Index (CCPI), determines the annual percentage increase to be applied to the prior fiscal year's real property assessments. The annual percentage increase (inflationary factor) is applied uniformly throughout the state and may not be greater than 2%.

When this inflationary factor is applied to the base year value of a property, the new assessed value is known as the trended base year value. In each subsequent year the inflationary factor is applied to the prior year's assessed value (the trended base year value), resulting in a new trended base year value for the current year. Since the inflationary factor is determined on a statewide basis, and does not take into account the market trends of any one particular area, there may be areas in which a property's fair market value actually declines rather than rises (*See the following Section*).

Proposition 8 – “Decline-in-Value”

(See page 9, Proposition 8 – “Decline-in-Value”)

Proposition 8 (Prop.8) is a constitutional amendment passed by California voters in 1978. It provides for temporary assessed value reductions when property suffers a “decline-in-value”. This situation occurs when the current assessed value (trended base year value) of property is greater than the current fair market value. This could be due to a decline in the overall market, as well as such problems as obsolescence, or deferred maintenance.

If you believe that the current assessed value of your property is higher than the current fair market value as of the lien date, then you should file for a “decline-in-value” reduction. Free Application for “Decline-in-Value” Reassessment (Prop. 8) forms may be obtained from the Assessor's Office and should be filed directly with the Assessor's Office between January 1 and December 31.

Forms filed with the Assessor's Office during the January 1 through December 31 period apply to the assessed value for the fiscal year beginning with July 1 of that year.

If you do not hear from the Assessor by July 2, or disagree with the Assessor's decision, you may still file an Application for Changed Assessment form with the Assessment Appeals Board during the regular filing period (*See page 45 for full definition*).

Other Considerations When Deciding Whether to File an Appeal

Personal Property In addition to the reasons above, you may appeal the assessed value of personal property (aircraft, boats) and/or business property (equipment and fixtures) in any year during the regular filing period if you feel that the Assessor has assessed their value incorrectly.

Penal Assessments If you are subject to a penal assessment: 1) for failure to timely file Business Property or Personal Property Statements with the Assessor; 2) for failure to properly file a Preliminary Change of Ownership Report with the Assessor; or 3) for concealment of tangible personal property or fraudulent act or omission causing escape of taxable tangible property; and you feel that these penal assessments are not justified, you may file an Application for Changed Assessment form with the Assessment Appeals Board.

Late Payment Penalties The Assessment Appeals Board has no jurisdiction over late payment penalties for failure to pay taxes when due. Therefore, even if you are planning to appeal the assessed value of your property, you should pay your taxes when due to avoid late payment penalties and interest.

Section 5: How and When to File an Application for Changed Assessment (Assessment Appeal)

Application for Changed Assessment (Assessment Appeal Application)

Applications to appeal the assessed value of your property before the Assessment Appeals Board must be filed on an original County of Los Angeles "Application for Changed Assessment" form.

Application for Changed Assessment forms may be obtained, free of charge, from the Assessment Appeals Board, County of Los Angeles, located at Room B4, Kenneth Hahn Hall of Administration, 500 W. Temple Street, Los Angeles, CA 90012; telephone (213) 974-1471; 1(888) 807-2111; 1(800) 735-2929 (TDD); or from our website at:

<http://bos.co.la.ca.us/categories/propertytaxappeals.htm>

Before you begin filling out your application: (1) get the tax bill or Notice of Assessed Value Change that shows the assessment that you plan to appeal, and (2) read through the application form, front and back, and any other information or instructions that are sent with the application; this will make the task of completing the application easier.

Having the tax bill or Notice of Assessed Value Change in front of you while you complete the application will help ensure that the information on your application is accurate and complete.

Where to File Your Application

Completed Application for Changed Assessment forms must be filed in a timely manner with the Assessment Appeals Board. If the application is being mailed through the United States Postal Service (USPS), it must be postmarked on or before the last day of the appropriate filing period and should be mailed to:

County of Los Angeles
Assessment Appeals Board
P.O. Box 53596
Los Angeles, CA 90053-0596

If the application is submitted in person, it should be filed not later than 5:00 p.m. on the last day of the appropriate filing period at:

County of Los Angeles
Assessment Appeals Board
Room B4, Kenneth Hahn Hall Administration
500 W. Temple Street
Los Angeles, CA 90012

Applications may be delivered personally by hand, delivered by a shipping service (FedEx, UPS, etc.), or delivered through the United States Postal Service (USPS). Whatever delivery method is used, the applications must be received timely, meeting appropriate application due dates or deadlines.

Application Due Dates – Filing Periods with the Assessment Appeals Board

The **filing period** for an Application for Changed Assessment is determined by the assessment you are disputing and how you were notified of the assessment. Normally, you will be notified of an assessment either by a Notice of Assessed Value Change or by a tax bill.

Figure 5A

**Application for Changed Assessment Filing Periods
(Filed with the Assessment Appeals Board)**

HOW YOU WERE NOTIFIED OF THE ASSESSED VALUE	APPLICATION DUE DATES
Annual Tax Bill- Secured Property (generally real property)	July 2 through November 30
Annual Tax Bill- Unsecured Property (includes business/boats/aircraft)	July 2 through November 30
Notice of Assessed Value Change	Within 60 days of the mailing dates shown on the Notice of Assessed Value Change
Supplemental Tax Bill	Within 60 days of the mailing date shown on the Supplemental Tax Bill
Adjusted, Corrected or Escaped Tax bills	Within 60 days of the mailing date shown on the Adjusted, Corrected or Escaped Tax Bill
Assessor's Notice of Reassessment based on Misfortune and Calamity Claim	Within 6 months of the mailing date shown on the Assessor's Notice of Reassessment

If the due date falls on a Saturday, Sunday, or a legal holiday, the due date is the next business day.

Section 6: How to Prepare for Your Hearing

Background Information

If you filed an Application for Changed Assessment with the Assessment Appeals Board because you believe that the fair market value of your property is less than the assessed value as determined by the County Assessor, you will need to prepare for your hearing.

Your application will be scheduled to be heard before the Assessment Appeals Board (Board) or an Assessment Hearing Officer. The results of the hearing will be based only on the evidence presented by you and the Assessor's Representative at your hearing. It is important that you come prepared to present evidence that is admissible and that will adequately support your application.

The following paragraphs provide some background information and review of some basic concepts that will be useful as you prepare for your hearing.

Assessment Appeals Board

The Assessment Appeals Board sits as the County Board of Equalization on behalf of the Board of Supervisors. In accordance with the eligibility requirements established by state law, the Board of Supervisors selects and appoints the members of the Assessment Appeals Board and the Assessment Hearing Officers based on their knowledge, experience, and qualifications. Board members and Hearing Officers act as impartial judges to determine the fair market value of property based on evidence presented at hearings.

The Assessment Appeals Board and Assessment Hearing Officers are not part of the Assessor's Office. They are part of the Executive Office of the Board of Supervisors and act as an independent third party to hear and resolve disputes between property owners and the Assessor.

California Constitution – Proposition 13

The Assessor, under Proposition 13, is responsible for reappraising real property when one of three things happens: (1) when the ownership of the property changes; (2) when new construction is completed; and (3) when new construction is partially completed on the **lien date**. The "assessed value" established by the Assessor's Office when one of these three things happens is known as the base year value.

Proposition 13 also permits the "assessed value" of property to be increased annually, on the Lien Date, to adjust for inflation. The amount of the increase is determined by the California State Board of Equalization and may not exceed 2% for any year, as provided by Proposition 13, unless it is the restoration of a previously granted Proposition 8 "Decline-in-Value" adjustment. The annual adjusted "assessed value" is known as the trended base year value.

Lien Date

The lien date is the date on which taxes for any fiscal year become a lien on property. Except as otherwise specifically provided, all tax liens attach annually as of the lien date preceding the fiscal year for which the taxes are levied.

Valuation Date

The valuation date is the date used by the Assessor when establishing the assessed value for property. The following table, Figure 6A, Typical Valuation Dates, shows typical appraisal or reappraisal events and the corresponding valuation dates

**Figure 6A
Typical Valuation Dates**

APPRAISAL OR REAPPRAISAL EVENT	VALUATION DATE
Change of Ownership (<i>base year value</i>)	Actual Date of Transfer
New Construction (<i>base year value</i>)	Date of Completion
Partial Completion of Construction (<i>base year value</i>)	Lien Date
Annual Inflationary Adjustment Under Proposition 13 (<i>trended base year value</i>)	Lien Date
Personal Property Assessment (Business Personal Property Statement)	Lien Date

Preparing for Your Hearing – Collecting Evidence

In preparation for your hearing, you will need to collect and organize the evidence you plan to present to the Hearing Officer or Board. As part of preparing your case, we urge you to contact the Assessor's Regional Office where the property is located to review and verify the circumstances of the assessment you are appealing. Contacting the Assessor could result in resolving your case without a hearing.

A separate brochure, How to Prepare for Your Assessment Appeal Hearing, provides detailed information on preparing for your hearing. It includes a step-by-step guide on how to collect comparable sales information at the Assessor's Office, including a sample worksheet giving a suggested format to help organize the comparable sales information. This brochure is sent to applicants at the time their hearing is scheduled or may be obtained by calling or writing the Assessment Appeals Board. The information in the brochure is available at county and city libraries, and also on the Internet at <http://bos.co.la.ca.us/Categories/Appeals/Overview.htm>

Evidence

It will be necessary for you to collect and organize evidence to support your opinion of the "fair market value" of the property covered by your application.

Please Note: Any documents or correspondence submitted with your original application will not be forwarded to the Assessor's Office and will not be provided to the Assessment Hearing Officer or the Assessment Appeals Board at the time of your hearing. The outcome of your hearing will be determined only by the evidence presented at the hearing. Any evidence that you wish to be considered must be presented to the Hearing Officer or the Board at the time of your hearing.

If you are scheduled before a Hearing Officer, you will need to bring your original plus two copies of any written evidence you wish to present at the hearing. If you are scheduled before an Assessment Appeals Board you will need to bring your original plus five copies of any written evidence you wish to present at the hearing.

Exchange of Information

When the assessed value of the property involved, before deduction of any exemption accorded the property, is \$100,000 or less, the applicant may file a written request for an exchange of information with the Assessor at 500 West Temple Street, Room 291, Los Angeles, CA 90012. When the assessed value before deduction of any exemption exceeds \$100,000, either the applicant or the Assessor, may request such an exchange. The request may be filed with the clerk at the time an application for hearing is filed or may be submitted to the other party and the clerk at any time prior to 30 days before the commencement of the hearing. For purposes of determining the date upon which the exchange was deemed initiated, the date of postmark as affixed by the United States Postal Service, or the date certified by a bona fide private courier service on the envelope or package containing the information shall control. The clerk shall, at the earliest opportunity, forward any request filed with the application or a copy thereof to the other party. When an exchange of information occurs, the evidence at the hearing is largely restricted to what information has been exchanged.

Before requesting a formal exchange of information, make sure you clearly understand the limitations and restrictions on what evidence can be presented at a hearing once an exchange of information has occurred.

The evidence you present needs to be admissible. Certain information, like the assessed value of your neighbor's property, your ability to pay your taxes, a disability or hardship, or the fact that owners of property similar to your property pay less taxes, is not admissible as evidence. The request shall contain the basis of the requesting party's opinion of value for each valuation date at issue and the following data:

The Comparable Sales Approach to Value

The comparable sales approach to value is the most common and reliable type of evidence used to support an opinion of "fair market value". If the opinion of value is to be supported with evidence of comparable sales, the properties sold shall be described by the Assessor's parcel number, street address or legal description sufficient to identify them. With regard to each property sold there shall be presented the approximate date of sale, the price paid, the terms of sale (if known), and the zoning of the property. The date of sale of the comparable property must not be more than 90 days after the valuation date for which the fair market value of your property is being determined.

The valuation date for Applications for Changed Assessment based on Proposition 8 (“Decline-in-Value”) is the lien date. The valuation date for fiscal year 2007-2008 is the January 1 that immediately precedes the fiscal year. For example, for fiscal year 2007-2008, the lien date is January 1, 2007. Therefore, the date of sale for comparable properties to support an application based on Proposition 8 – “Decline-in- Value” must not be later than March 31 (90 days after the January 1 valuation date). You may use any comparable sales that occur before the lien date; but the closer to the January 1 lien date the comparable sales are, the more useful they will be.

The valuation date for a change in ownership is the date of sale, usually the date the transfer is recorded with the County Recorder. The valuation date for new construction is the date the new construction is completed. The valuation date for partially completed construction is the lien date, which is January 1. The date of sale for comparable properties used as evidence to support your application should be as close to the valuation date as possible, but cannot be more than 90 days after the valuation date for the property that you are appealing. You may use any comparable sales that occur before the valuation date; but the closer to the valuation date the comparable sales are, the more useful they will be.

The comparable sales approach to value is usually the recommended approach for collecting evidence to support the fair market value of single-family residences.

Arm’s Length, Open Market Transaction

The words “full value”, “full cash value”, “cash value”, “actual value”, and “fair market value” are all used to mean the same thing: the price a property would sell for in an “arm’s length, open market” transaction. An “arm’s length, open market” transaction is defined as the price at which a property, if exposed for sale on the open market, with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other. The purchase price of property sold under these conditions should normally be the “fair market value” or “assessed value” of the property.

The Income Approach to Value

The income approach to value is used when the property has been purchased in anticipation of the money income that it will generate. An apartment building, purchased to generate rental income, would be an example of when the income approach to value would be appropriate.

If the opinion of value is to be supported with evidence based on an income approach, there shall be presented: the gross income, the allowable expenses, the capitalization method (direct capitalization or discounted cash flow analysis), and rate or rates employed.

Further discussion of the income approach to value is beyond the scope of this brochure.

The Cost Approach to Value

The cost approach to value establishes a “fair market value” for a property based on what it would cost to build or replace the structure. This approach may be useful in supporting the fair market value of a newly constructed building, or an addition to an existing building. In addition to the direct cost of construction, costs would include indirect costs such as cost of financing, property taxes paid during construction, and a reasonable allowance for entrepreneurial services.

If the opinion of value is to be supported with evidence of replacement cost, there shall be presented:

- (A) With regard to improvements to real property: the date of construction, type of construction, and replacement cost of construction
- (B) With regard to machinery and equipment: the date of installation, replacement cost, and any history of extraordinary use
- (C) With regard to both improvements and machinery and equipment: facts relating to depreciation, including any functional or economic obsolescence, and remaining economic life

The information exchanged shall provide reasonable notice to the other party concerning the subject matter of the evidence or testimony to be presented at the hearing. There is no requirement that the details of the evidence or testimony to be introduced must be exchanged.

Further discussion of the cost approach to value is beyond the scope of this brochure.

Approaches to Valuing Personal Property

The cost of acquiring the personal property is the method most often used. Compare the price the same property would cost if it were purchased within a reasonable time before or after the lien date. At the hearing you will need to present evidence regarding the initial cost of the property, when it was acquired, its condition on the lien date, and its functional and/or economic obsolescence.

Comparable sales for personal property may be used in the case of boats or aircraft. Sales should be reasonably close to the lien date and have occurred on the open market. The sales price should be verified with the buyer, seller, broker, or salesperson.

You should choose comparable sales that occurred as close to the January 1 lien date as possible, but not more than 90 days after the lien date. You may use any comparable sales that occur before the lien date; but the closer to the January 1 lien date the comparable sales are, the more useful they will be.

Section 7: What Happens at Your Hearing

Frequently Asked Questions about Hearings

What is the hearing for? The primary purpose of the hearing is to resolve the difference between what you and the Assessor believe the fair market value of your property was on a specific valuation date. The Assessment Hearing Officer (Hearing Officer) or the Assessment Appeals Board (Board) will determine the fair market value of your property as of a specific valuation date based on the evidence presented at the hearing by you and the Assessor's Representative. Testimony during the hearing is taken under oath or affirmation.

When will I be notified of the location and date of my hearing? The Assessment Appeals Board will normally notify you in writing at least 45 days prior to the scheduled hearing date. Notification will be sent to your last known mailing address. If you have an agent, the agent will also be notified. It is important that you provide the Assessment Appeals Board with any changes in your mailing address in writing. Any change of address filed with the Assessor, Auditor, or Tax Collector does not count. When corresponding with the Assessment Appeals Board, you should always include the Assessor's Identification Number (AIN) or Tax Bill Number for the property you are appealing and the Application Number for the assessment appeal application.

Will my case be heard by a Hearing Officer or an Assessment Appeals Board? If your property is a single-family residence, condominium, cooperative, or a multiple-family dwelling of four units or less, regardless of value, or if your property has an assessed value less than or equal to \$3,000,000, then your case may be heard by a Hearing Officer. A hearing before a Hearing Officer is less formal than a hearing before an Assessment Appeals Board.

When filing an application with the Assessment Appeals Board, and if your property qualifies, you may choose whether to have your appeal heard before an Assessment Hearing Officer or to have your appeal heard before an Assessment Appeals Board. You are not required to use an Assessment Hearing Officer to hear your appeal, even if your property meets the Assessment Hearing Officer criteria.

The Assessment Appeals Board conducts hearings on applications which do not qualify for a hearing under the Assessment Hearing Officer Program and on applications for which the applicant has specifically requested a hearing before an Assessment Appeals Board.

What is the Hearing Officer Program? The Hearing Officer Program was established to resolve less complex issues of property valuation using an informal proceeding. A Hearing Officer conducts a hearing with you and an Assessor's Representative. Based on evidence presented at the hearing, the Hearing Officer makes a non-binding recommendation regarding the fair market value of the property. During the hearing, the Hearing Officer may determine, because of the complexities of the issues, that the case should be heard by an Assessment Appeals Board. If so, the hearing will be suspended and rescheduled before a Board.

What actually happens at the hearing before a Hearing Officer? The hearing will be conducted with you and a representative of the Assessor's Office present. It will be an informal proceeding; so if you have any questions, feel free to ask them during the hearing. You will need to bring three copies of any evidence that you plan to present at the hearing. Although individual hearings may vary, most follow these steps:

- (1) The application number and applicant's name are announced. If the applicant or applicant's agent is not present, the application is denied for non-appearance (No Show).
- (2) The Assessor's Representative will give a description of the property and its assessed value. The property and its value are described. The applicant and the Assessor's Representative agree that it is the property which is in dispute.
- (3) Both the applicant and the Assessor's Representative present evidence. There is reasonable time to present evidence, for witnesses to be cross-examined, for questions, argument, and rebuttal. The Hearing Officer may ask questions as well.

If you are appealing the assessed value of an owner-occupied, single-family residence, condominium, or cooperative, the Assessor's Representative will present evidence first (the Assessor has the "burden of proof"). For all other properties, the property owner has the "burden of proof" and must present evidence first.

- (4) Based on the evidence presented at the hearing, the Hearing Officer makes a non-binding recommendation regarding the fair market value of the property. The applicant and the Assessor's Representative will get a copy of the recommendation at the end of the hearing.

What do you mean by a "non-binding" recommendation? If either you or the Assessor does not want to accept the Hearing Officer's recommendation, you may request a new hearing before the Assessment Appeals Board. The request must be in writing and filed with the Assessment Appeals Board within 14 days of the recommendation. Information on how to request a new hearing is on the copy of the recommendation that you will get from the Assessment Hearing Officer.

What happens to the recommendation? If neither you nor the Assessor's Representative requests a new hearing, the Assessment Hearing Officer's recommendation is sent to the Assessment Appeals Board for review. After reviewing the recommendation, the Board may either accept or reject it. If the Board rejects the recommendation, you and the Assessor will be notified and a new hearing will be scheduled before an Assessment Appeals Board. If the Board accepts the recommendation, you and the Assessor are notified.

If a new hearing is held before an Assessment Appeals Board, neither you nor the Assessor is bound by, or limited to, the evidence that was presented at the Assessment Hearing Officer hearing. Both you and the Assessor are free to present any evidence that is useful to the Assessment Appeals Board in determining the fair market value of the property in question.

How is a hearing before an Assessment Appeals Board different from a hearing before an Assessment Hearing Officer? The primary differences are: (1) the Board hearing is more formal: for example, the proceedings are recorded; (2) the Board's decision is final; and (3) the appeal of the Board's decision is made in Superior Court.

What happens if I don't attend the hearing and I don't send an authorized agent? If you or your authorized agent does not appear at the hearing, your application will be denied for nonappearance. "Denied for nonappearance" means that your application is considered closed and no further action will be taken on your appeal. In such a case, a notice of denial will be mailed to you.

If you believe you had a good reason for not appearing at your hearing, you may request a reinstatement hearing before the Assessment Appeals Board. You must file a written request with the Assessment Appeals Board within 60 days from the date of mailing of the notification of the denial due to nonappearance. Such requests are granted only if extraordinary circumstances caused you to miss the hearing.

If the Assessor and I have agreed on an assessed value prior to my hearing date, do I need to show up for my hearing? If you have talked with the Assessor and have come to an agreement regarding a changed assessed value for your property, you still must appear at the hearing. There are three instances when you do not have to appear: (1) The hearing is being held during the assessment period for the year you are appealing. For example, if you filed an appeal for the 2007 assessment year and the hearing is between July 1, 2007 and June 30, 2008, the Assessor may submit a correction; (2) The Assessor is recommending a change due to a clerical or processing error (not an error in judgment); (3) You have signed a stipulation. A "Stipulation For Change In Assessed Value" is a form initiated by the Assessor waiving the applicant's appearance at the hearing. The form requires the signature of the applicant, a representative of the Assessor's Office and County Counsel. Please contact the Assessor for more details on stipulations.

If I decide not to pursue my assessment appeal, do I need to show up for the hearing? If after talking with the Assessor's Office about the assessed value of your property or after collecting evidence for your hearing, you decide not to pursue your assessment appeal, you should notify the Assessment Appeals Board in writing that you wish to withdraw your application. The hearings represent a substantial cost to taxpayers. By giving the Assessment Appeals Board staff prior notice that you do not wish to pursue your assessment appeal application, the hearing time allotted to you may be used to schedule and hear other appeals.

Can the assessed value of my property be increased as a result of my assessment appeal? The Assessment Appeals Board is required to base their decision regarding the assessed value of your property on the evidence presented at the hearing. So it is possible that the assessed value of your property could be raised as a result of your appeal.

If the Assessor intends to ask for an increase in the assessed value of your property above the assessed value on the local assessment roll, the Assessor must notify you in writing. This written notification is known as a "raise letter" and must be sent to you at least 10 days prior to the scheduled hearing date. Once the Assessor has issued a "raise letter", you are not permitted to withdraw your application.

After the hearing is over, when will I be notified of the Board's decision? If your hearing is before a Hearing Officer, you will be notified of the Hearing Officer's recommendation immediately. If both you and the Assessor accept the Hearing Officer's recommendation, you will normally receive notification of the Board's final action approximately six weeks after your hearing.

If your appeal is heard by an Assessment Appeals Board, you will normally be notified of the Board's final action at the time of your hearing or within 10 days after the hearing.

If the assessed value of my property has been reduced, when will I get my refund? If you paid your taxes when due, and your property's assessed value is reduced as a result of an assessment appeals hearing, you should normally get a refund approximately two to three months after you receive notice of the Board's decision. The Auditor-Controller's Office is responsible for processing refunds. If you did not pay your taxes when due, you will receive a Corrected Tax Bill showing the taxes due, along with any interest or penalties that might be due.

Section 8: Information Sources and Contacts

Following are some topics of interest and the related department to contact for information.

A listing of the locations of the Assessor's Offices throughout the County is also provided.

Topics of Interest

Contact Information

Property assessment appeals

Assessment Appeals Board
Kenneth Hahn Hall of Administration
500 West Temple Street, Room B4
Los Angeles, CA 90012

(213) 974-1471 1(888) 807-2111
1(800) 735-2929 (TDD)

Free Seminar Information (213) 974-4240
Website: <http://bos.co.la.ca.us/categories/propertytaxappeals.htm>
<http://lacountypropertytax.com/portal/default.aspx>

Direct assessments
General tax levy
Tax refunds
Voted indebtedness

Auditor-Controller's Office
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 153
Los Angeles, CA 90012-2713

(213) 974-3468 1 (888) 807-2111
Website: <http://auditor.lacounty.gov/>
<http://lacountypropertytax.com/portal/default.aspx>

Property assessments
Mailing address change
General exemptions
Homeowners' exemption
Change in ownership
Parent/child transfer
Senior citizens transfer
Grandparent/grandchild transfer

Assessor's Office
Kenneth Hahn Hall of Administration
500 W. Temple Street, Room 225
Los Angeles, CA 90012

(213) 974-3211 1 (888) 807-2111

Website: <http://assessor.lacounty.gov>
<http://lacountypropertytax.com/portal/default.aspx>

Tax payment records
Payment due dates
Request Substitute tax bills
Late payment penalties/interest
Refunds - Overpayments

Treasurer and Tax Collector's Office
Kenneth Hahn Hall of Administration
225 N. Hill Street
Los Angeles, CA 90012-2798
(213) 947-2111 1 (888) 807-2111

Website: <http://ttc.lacounty.gov>
<http://lacountypropertytax.com/portal/default.aspx>

Assessor's Public Service Locations

Main Office

Kenneth Hahn Hall of Administration
Room 225, 500 West Temple Street
Los Angeles, CA 90012
(213) 974-3211 1 (888) 807-2111

North District Office

13800 Balboa Boulevard
Sylmar, CA 91342
(818) 833-6000

South District Office

1401 East Willow Street
Signal Hill, CA 90755
(562) 256-1701

East District Office

1190 Durfee Avenue
South El Monte, CA 91733
(626) 258-6001

West District Office

6120 Bristol Parkway
Culver City, CA 90230
(310) 665-5300

Lancaster Regional Office

251 East Avenue K-6
Lancaster, CA 93535
(661) 940-6700

Van Nuys Public Service Satellite

14340 Sylvan Street
Van Nuys, CA 91401
(818) 901-3455

Marine, Aircraft and Manufactured Homes

Kenneth Hahn Hall of Administration
Room 225, 500 West Temple Street
Los Angeles, CA 90012
(213) 974-3119

Section 9: Glossary of Terms and Definitions

Adjusted Tax Bill

Adjusted Tax Bills are generally the result of a change or correction to the assessed value of the property.

Agents

An agent is someone that represents you. Your spouse, parent, or children may act as your agent without written authorization being provided to the Assessment Appeals Board. A California licensed attorney, retained by you, may also file the application for you, without written authorization being provided to the Assessment Appeals Board. If you wish anyone else to represent you before the Board, you must provide a written Agent's Authorization either as part of the application or at the time of your hearing.

Annual Tax Bill

The Annual Tax Bill is issued in October of each year, covering the County fiscal year of July 1 through June 30. Generally, the Annual Tax Bill is payable in two installments: the first installment is due November 1st and will be delinquent if not paid by December 10, and the second installment is due February 1st and will be delinquent if not paid by April 10.

Application for Changed Assessment

The Application for Changed Assessment is the application form used to appeal the assessed value of your property with the Assessment Appeals Board.

Application for "Decline-in-Value" Reassessment (Proposition 8)

The Application for "Decline-in-Value" Reassessment (Prop. 8) is the application form used to request a review of the assessed value of your property by the Assessor's Office. If you believe the assessed value as of the January 1 lien date is greater than the current fair market value as of that lien date, you should file an application with the Assessor's Office between January 1 (lien date) and December 31.

Assessed Value

The Assessed Value of property is determined by the Assessor's Office.

Assessment Appeals Board

In the County of Los Angeles, the Assessment Appeals Board acts as the Board of Equalization on behalf of the Los Angeles County Board of Supervisors. The Assessment Appeals Board is responsible for resolving disputes between the Assessor and the property owner regarding the assessed value of their property.

Assessor

The Assessor is the County Assessor. The Assessor is responsible for identifying all properties within the County of Los Angeles that are subject to taxation and establishing an assessed value for each of the properties.

Assessor's Identification Number

The Assessor's Identification Number (AIN) is a ten-digit number assigned by the Assessor to each piece of real property in the County of Los Angeles. The AIN is used on tax bills and correspondence to uniquely identify real property. The ten-digit AIN is made up of a four-digit Map Book Number, a three-digit Page Number and a three-digit Parcel Number.

Arm's Length Transaction

An Arm's Length Transaction refers to a transaction or a sale in which neither the seller nor the buyer is in a position to take advantage of the other or to receive preferential treatment from the other; both the seller and buyer are trying to maximize their gains.

Base Year Value

The Base Year Value is the value established by the Assessor when: (1) the ownership of property changes, (2) new construction is completed, or (3) new construction is partially completed on the lien date.

Board of Supervisors

The Board of Supervisors is the governing body for the County of Los Angeles. The Assessment Appeals Board acts on behalf of the Board of Supervisors as the County's Board of Equalization.

Board

The term Board generally refers to an Assessment Appeals Board when used in the context of assessment appeals.

Comparable Sales Approach to Value

The Comparable Sales Approach to Value is one of the methods used to determine the value of property; it is the preferred method when reliable market data are available with respect to a given real property. It consists of sales price information of properties that are similar to your property in size, year built, quality, etc.

Cost Approach to Value

The Cost Approach to Value uses the actual direct and indirect costs of acquiring land, the costs of building materials and labor, the cost of insurance, etc., to establish the assessed value of a property.

Direct Assessments

Direct Assessments are a type of tax charged to property owners for specific services provided that benefits the property owner. Examples of direct assessments include street maintenance, flood control, weed abatement, etc. Direct Assessments are listed separately on the tax bill.

Evidence

Evidence, presented by the property owner and the Assessor, is what the Assessment Appeals Board must rely on to determine the fair market value of a subject property. Evidence may be any information that is relevant to the issue before the Assessment Appeals Board and on which a responsible individual would rely on in the conduct of serious business. Formal or technical rules relating to evidence and witnesses do not prevent the use of any information that would be useful and relevant in determining an assessed value and in holding a full and fair hearing.

Fair Market Value

Fair Market Value is the value or price that is established in a transaction in which a property is sold on the open market with a reasonable time for the seller to find a purchaser. Both the seller and purchaser should be attempting to maximize their gains while neither is in a position to take advantage of the other.

Filing Period

The filing period is the period of time when a property owner must submit an Application for Changed Assessment to the Assessment Appeals Board if the application is to be considered valid and timely filed.

The regular filing period for applications to appeal your Annual Tax Bill is July 2 through November 30, for both secured and unsecured tax bills. *Note: This means that in some cases you will need to submit your application before you actually receive your Annual Tax Bill.*

The filing period to appeal a new assessment when you are notified by receipt of a Notice of Assessed Value Change, or a Supplemental, Adjusted, or Corrected Tax Bill, is within 60 days from the date the notification or tax bill was mailed.

The filing period for Misfortune and Calamity is more restrictive. If you wish to appeal the Assessor's decision regarding a Misfortune and Calamity claim, the application must be filed with the Assessment Appeals Board within 6 months of the date of mailing of the notice of the Assessor's decision.

Fiscal Year

A Fiscal Year is a continuous 12-month period used by a government or business as its accounting period. The County of Los Angeles uses the period of July 1 through June 30 as the County's fiscal year.

Fixture

A fixture is an improvement (equipment, machinery, etc.), physically or constructively made to be a part of a piece of real property that is directly used in a trade, industry, business, or profession.

Full Cash Value

Full Cash Value means the amount of cash or its equivalent that a property would bring if sold in an open market, arm's length transaction. Other terms that are used to mean the same thing as Full Cash Value are "full value", "cash value", "actual value" and "fair market value."

Hearing Officer Program

The Hearing Officer Program was established to resolve less complex issues regarding the assessed value of certain types of property. Properties which are single-family residences, condominiums, cooperatives, or multiple-family dwellings of four units or less, regardless of value, may be heard before a Hearing Officer. Also, other properties that do not exceed \$3 million in assessed value may also be heard before a Hearing Officer.

Hearing Officer

A Hearing Officer presides at a hearing in which the taxpayer/property owner and the Assessor's Office present evidence in support of an assessment appeal. The Hearing Officer is knowledgeable in the areas of assessment, valuation, and other matters of property taxation.

Homeowner's Exemption

If you own a home and occupy it as your principal place of residence, you may apply for a homeowner's exemption of \$7,000 which will reduce the taxable value of your property.

Income Approach to Value

The Income Approach to Value is one of the methods used to determine the value of property; it is a method used when the property is of the type typically purchased to generate income. The method relies on projected gross income, expenses, and a specified capitalization method and rate.

Improvement

Improvements consist of buildings, structures, fixtures, and fences erected on or affixed to land. Certain types of agricultural plants may also be considered as improvements.

Jurisdiction of Assessment Appeals Board

The Assessment Appeals Board's jurisdiction is primarily the determination of the fair market value of property for which an application for equalization (Application for Changed Assessment) is made.

Lien Date

The Lien Date is the date on which taxes for any fiscal year become a lien on property. Beginning with the 1997-1998 fiscal year, the lien date was changed to January 1, that immediately precedes the fiscal year.

Market Approach to Value

The Market Approach to Value is one of the methods used to determine the value of property; it uses the value as determined by the open market to establish the assessed value of a property.

Misfortune and Calamity

Misfortune and Calamity refer to possible tax relief for property damaged by “disaster, misfortune, or calamity.” Property damage must be the result of some event out of the ordinary, such as a sudden, unexpected, and unforeseeable occurrence beyond the property owner’s control, for example, earthquake, flood, or fire. Damage to property that occurred gradually over time due to ordinary natural forces would not qualify for disaster relief.

New Construction

New Construction is a term referring to the addition of any land or improvements (new buildings, structures, etc) or alteration of land or improvements that would constitute a major rehabilitation made to a property since that last lien date.

Notice of Assessed Value Change

The Notice of Assessed Value Change is a document issued by the Assessor’s Office when the Assessor establishes a new assessed value for a property. The notice will identify the property, state the reason for the change in assessed value, and show both the old and the new assessed value for the property. A Notice of Assessed Value Change may cover more than one year. Generally, the property owner has 60 days from the date the notice is mailed to appeal the new assessed value.

Open Market Transaction

An Open Market Transaction is one in which property is made available for sale in an open and unrestricted manner, in which interested parties are knowledgeable of the uses to which the property may be put, and in which there is a reasonable time for parties interested in the property to become aware of, examine, and make an offer on the property.

Ownership Issues

An Ownership Issue is caused when the property owner and the Assessor disagree as to whether a reappraisable change in ownership has occurred.

Penal Assessments

Penal Assessments generally refer to assessments made due to a property owner failing to provide the Assessor with information as required by law or requested by the Assessor. For example, failure to file a Personal Property Statement as required or requested may result in a penal assessment of 10%.

Personal Property (Tangible)

Tangible Personal Property refers to things that may be touched and moved such as machinery, equipment, supplies, material, airplanes, boats, or vehicles.

Proposition 8 – “Decline-in-Value”

Proposition 8 (Prop. 8) allows the Assessor to reduce temporarily the assessed value of real property if the fair market value of the property on the lien date is less than the current assessed value. To benefit from Proposition 8 the property owner must file a claim with either the Assessor or the Assessment Appeals Board, or both.

Proposition 13

Proposition 13, a 1978 voter-approved initiative, substantially changed the taxation of real property in the State of California. Proposition 13 limits when real property can be reappraised. Proposition 13 also allows for an annual increase in the assessed value of real property based on an inflationary factor (not to exceed 2% annually).

Real Property

Real Property is generally land and improvements erected on, growing on, or affixed to the land. Improvements include buildings, structures, fixtures, and fences; as well as fruit, nut bearing, or ornamental trees and vines, not of natural growth.

Regular Filing Period

The Regular Filing Period is July 2 through November 30, for real property and personal property. If November 30 falls on a holiday or weekend, the Regular Filing Period is extended to the next business day.

Secured Property

Secured Property is generally classified as property on which a lien is used to secure the payment of taxes. Real property (land and improvements) is an example of secured property.

Supplemental Tax Bill

A Supplemental Tax Bill is issued to establish the base year value of the property due to ownership transfer or completion of new construction. It is in addition to the Annual tax bill assessments.

Tax Bills

Tax Bills are issued by the Los Angeles County Treasurer and Tax Collector based on the assessed value of the property as determined by the Assessor and the appropriate tax rates. There are three general types of tax bills: annual; supplemental; and adjusted/corrected/escaped assessment tax bills.

Trended Base Year Value

The Trended Base Year Value is equal to the Base Year Value for the property increased annually by an inflationary factor (not to exceed 2% under Proposition 13). Each year, the inflationary factor is applied to the prior year's assessed value.

Valuation Date

The Valuation Date is the date used by the Assessor when establishing the assessed value for property. For example, when the property changes ownership, the date of transfer is the valuation date. For annual tax bills, the assessed value is established as of the lien date, which is also the Valuation Date.

